



FINANCIAL REPORT 2018

GIVE THE CHILDREN OF MPONGWE A FUTURE (GCMF)

PLOT 5,6,13 MACHIYA ROAD – PO BOX 14 – MPONGWE – ZAMBIA

RNGO 101/0395/14

GIVE THE CHILDREN OF MPONGWE A FUTURE

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STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Board is required by societies act to prepare financial statement for each financial year, which gives a true and fair view of the financial position of GCMF and of its financial performance. In preparing such financial statements, the Board is responsible for

- Designing, Implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free of material misstatement;
- Selecting appropriate accounting policies and applying them consistently;
- Making judgments and accounting estimates that are reasonable in the circumstances and
- Preparing the financial statements in accordance with the applicable financial reporting frame work and on the going concern basis unless it is inappropriate to presume that organization will continue in operations.

The Board is responsible for keeping of proper accounting records which disclose, with reasonable accuracy at any time, the financial position of GCMF and enable them to ensure that the financial statements comply with the societies Act. They are also responsible for safeguarding the assets of the Organization and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board does confirm that in their opinion:

- a. The statement of comprehensive Income is drawn up so as to give a true and fair view of the financial performance of GCMF for the year ended 31st December, 2018
- b. The statement of financial position is drawn up so as to give a true and fair view of state of affairs of GCMF as at 31st December, 2018.

This statement is made in accordance with the guidelines of GCMF

Signed by:

.....Chairman

.....Board Member



THE BOARD MEMBERS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

As Described on Page 3, the Board is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Zambia. This responsibility include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that is free from material misstatement; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Emphasis of Matter

Give the Children of Mpongwe a future mostly meets its day to day working capital requirements support through grants from GKMT and donors, students school fees and income generating activities (i .e Vehicles and Guest House) The continued existence of GCMF is dependent upon this support.

In view of the significance of the fact that the preparation of the financial statements on a going concern basis assumes that the donor support, GKVTC students school fees and income generating activities will continue, we consider that these disclosures should be brought to your attention.

GIVE THE CHILDREN OF MPONGWE A FUTURE

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2018

	2018	2017
	ZMK	ZMK
Program Income(Donations & Other Income)	1,477,974.44	1,798,368.18
Program Expenditure	<u>1,409,592.76</u>	<u>1,537,461.33</u>
Surplus of program income over Expenditure during the year	<u>68,381.68</u>	<u>260,906.85</u>
Income Generated activities (GH and Vehicles)Income	1,078,322.45	902,426.22
Income Generated activities Expenditure	<u>968,703.22</u>	<u>849,632.39</u>
Surplus of IGA income over Expenditure	<u>111,999.07</u>	<u>52,793.83</u>
Surplus for the year before depreciation	180,380.75	313,700.68
Depreciation	(75,677.11)	(61,806.78)
Surplus for the Year after Depreciation	<u>104,703.64</u>	<u>251,893.90</u>

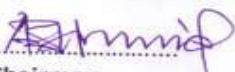
FINANCIAL REPORT 2018— GIVE THE CHILDREN OF MPONGWE A FUTURE

STATEMENT OF FINANCIAL POSITION

For the year ended 31st December 2018

	Notes	2018 ZMK	2017 ZMK
Non - Current Assets			
Property, Plant and Equipment	3	<u>159,606.08</u>	<u>145,871.19</u>
Current Assets			
Cash and Cash Equivalents	4	167,664.62	250,254.89
Receivables	5	<u>71,906.92</u>	<u>79,357.32</u>
		<u>239,571.54</u>	<u>329,612.21</u>
Total Assets		<u>399,177.62</u>	<u>475,483.40</u>
Liabilities and Equity			
Liabilities			
Payables	6	<u>3,083.38</u>	<u>1,605.00</u>
Equity			
Accumulated Funds	7	146,973.42	116,587.78
Capital Reserves		<u>249,120.82</u>	<u>357,290.62</u>
Total Equity		<u>396,094.24</u>	<u>473,878.40</u>
Total Liabilities and Equity		<u>399,177.62</u>	<u>475,483.40</u>

The Financial Statements have been approved by the Board members on
and signed on their behalf by:


Chairman


Board Member

6/14



GIVE THE CHILDREN OF MPONGWE A FUTURE

STATEMENT OF FINANCIAL POSITION

For the year ended 31st December 2018

	Notes	2018 ZMK	2017 ZMK
Non - Current Assets			
Property, Plant and Equipment	3	<u>159,606.08</u>	<u>145,871.19</u>
Current Assets			
Cash and Cash Equivalents	4	167,664.62	250,254.89
Receivables	5	<u>71,906.92</u>	<u>79,357.32</u>
		<u>239,571.54</u>	<u>329,612.21</u>
Total Assets		<u>399,177.62</u>	<u>475,483.40</u>
Liabilities and Equity			
Liabilities			
Payables	6	<u>3,083.38</u>	<u>1,605.00</u>
Equity			
Accumulated Funds	7	221,291.43	116,587.78
Capital Reserves		<u>174,802.81</u>	<u>357,290.62</u>
Total Equity		<u>396,094.24</u>	<u>473,878.40</u>
Total Liabilities and Equity		<u>399,177.62</u>	<u>475,483.40</u>

GIVE THE CHILDREN OF MPONGWE A FUTURE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2018

1. General

During the year under review, Give the Children of Mpongwe a Future made a Surplus of

ZMK 104,703.64

The Board Members

1. Mr. Antony James Kalima - Chairperson
2. Ms. Fridah Musukuma – Vice chairperson
3. Mr. Patrice Mutekela – Secretary
4. Mr. Stephen Kangwa - Treasurer
5. Mr. Vackson Mwenda - Board Member
6. Ms. Rosemary Bweendo Munkombwe – Board Member
7. Mrs. Elizabeth Kaluluka Namakau – Board Member
8. Mr. Justine Ngoma – Board Member
9. Mr. Joseph Jere – Board Member
10. Mr. Victor Kwalomboto Mwiya – Board Member
11. Mr. Clifford Bwalya Kasapo – Board Member
12. Mr. Robiness Mali – Board Member
13. Mr. Scotch Mvula – Board Member
14. Mr. Dryson Daka – Board Member

GIVE THE CHILDREN OF MPONGWE A FUTURE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2018

2. Summary of Significant accounting Policies

The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the International Financial Reporting Standards. The accounting policies have been consistently applied by GCMF and are consistent with those of the previous year.

Going Concern

The financial statements are prepared on the assumption that GCMF is a going Concern and will continue in operation for the foreseeable future. The organization (GCMF) meets its day to day working capital requirements through its support from GMKT, donors, Students fess, income generating activities (Guest House & Vehicles) and Contributions from well-wishers.

On the basis of cash flow information prepared by the Board and after consultation with the donors (GMKT), the Board considers that GCMF will continue to operate for the foreseeable future within the available financial resources. Accordingly, the Board is of the opinion that the preparation of these financial statements on the going concern basis is appropriate.

Adoption of New and Revised standards

GCMF has adopted all the new and revised FRSs and Interpretation of financial reporting standards that are relevant to its operations and effective for periods beginning on or after January 1, 2018. The adoption of these New/revised Standards does not result in changes to GCMF accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorization of these financial statements, there were no Financial Reporting Standards and amendments to FRS that are relevant to GCMF that were issued but not effective.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Debtors and receivables

Trade receivables, Staff loans and other receivables that have fixed and determinable payments that are not quoted in an active market are classified as "loans and receivables".

GIVE THE CHILDREN OF MPONGWE A FUTURE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2018

Grants from Donors

Grants/Donor Funds are not recognized until there is reasonable assurance that GCMF will comply with the conditions attaching to them and the grants will be received.

Other grants are recognized as income over the period necessary to match them with the costs for which they are intended to be used or budgeted for.

Cash and equivalents

Cash and cash equivalents comprise of cash on hand and in the bank, coming from all the projects outlined.

3. Property, Plant and equipment

Land and buildings for VTC college under construction and the Guest House are not stated in the statement of financial position as at the time the statements were prepared their fair value were not Calculated.

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loses. Depreciation is charged over their estimated useful life, using the straight line method on the following basis:

Motor vehicles	25%
Furniture and equipment	20%
Other fixed Assets	20%

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**NOTES TO THE FINANCIAL
STATEMENTS**

For the year ended 31st
December 2018

Summary	Land & Buildings ZMK	Motor Vehicles ZMK	Furniture and Equipment	Other Fixed Assets ZMK	Total ZMK
AT COST					
At beginning of year	-	163,000.00	31,395.00	57,361.05	251,756.05
Additions	-	-	66,350.00	23,062.00	89,412.00
At End of year	-	163,000.00	97,745.00	80,423.05	341,168.05
DEPRECIATION					
At beginning of year	-	81,500.00	7,696.75	16,686.11	105,884.86
Charge for the year	-	40,750.00	19,549.00	15,378.11	75,677.11
At End of year	-	122,250.00	27,247.75	32,064.22	181,561.97
NET BOOK VALUE					
31 ST December 2018	-	40,750.00	70,497.25	48,358.83	159,606.08
31 ST December 2017	-	81,500.00	23,696.25	40,674.94	145,871.19
Bank and Cash at Hand					
			2018 ZMK	2017 ZMK	
Standard Chartered Bank					
GCMF Main A/C			25,634.56	80,504.26	
Natsave Bank					
GCMF VTC			29,743.66	91,870.27	
Natsave Bank					
GCMF GH			43,664.14	28,356.92	
Natsave Bank					
GCMF VTCE					
Petty Cash			262.15	-	
GCMF VTCE			180.43	753.87	
Petty Cash					
GCMF IBALA			-	4,462.50	
Petty Cash					
GCMF VTC			5,279.50	20,667.41	
Petty Cash				1,892.50	

GCMF OVC	18,896.50	
Petty Cash		
GCMF GH	<u>44,003.68</u>	<u>21,747.61</u>
	<u>167,664.62</u>	<u>250,254.89</u>

**GIVE THE CHILDREN OF MPONGWE THE
FUTURE**

**NOTES TO THE FINANCIAL
STATEMENTS**

For the year ended 31st
December 2018

	2018	2017
	ZMK	ZMK
5. Receivables		
VTC	-	3,800.00
VTCE	4,020.50	-
MAN	-	-
IBALA	-	3,895.00
OVC	-	-
GH	58,278.87	69,380.82
TRUCK /CAR	<u>9,607.55</u>	<u>6,081.50</u>
	<u>71,906.92</u>	<u>79,357.32</u>
6. Payables		
PAYE	175.00	-
NAPSA	<u>2,908.38</u>	<u>1,605.00</u>
	<u>3,083.38</u>	<u>1,605.00</u>
7. Accumulated Funds		
At beginning of year	116,587.78	(135,306.12)
Surplus for the year	<u>104,703.65</u>	<u>251,893.90</u>
At end of year	<u><u>221,291.43</u></u>	<u><u>116,587.78</u></u>

GIVE THE CHILDREN OF MPONGWE A FUTURE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2018

Treasury and Risk management

The main risks arising from financial instruments are interest risk and market risk.

Interest rate risk

GCMF is not exposed to interest rate risk that usually comes from the balance of the bank account as a result of a loan or bank overdraft.

Market Risk

The principle amount of all financial assets and financial liabilities are fixed and not subject to market related value adjustment.

Foreign currency transaction and translation

The individual financial statements of the GCMF are measured and presented in Zambian kwacha.

Employee Benefits

Defined Contribution Schemes

A defined contribution scheme is a pension plan under which GCMF pays fixed contribution into a separate entity (fund) which will have no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior years. GCMF contribution to the defined schemes is charged to the statements of comprehensive income in the year to which they relate. GCMF has no further obligation once the contributions have been paid.

A) National pension Scheme Authority

GCMF makes contributions to the state defined contribution pension scheme, National Pension Scheme Authority, "NAPSA", where both GCMF and the employee contribute 5% gross earnings.

DETAILED OPERATING STATEMENT PER PROJECT

For the year ended 31st December 2018	Totals	Totals
	2018	2017
	ZMK	ZMK
INCOME		
Tuition Fees	95,230.00	19,910.00
Ibala Poultry Income	-	93,122.50
VTC Soya Beans Sales	-	19,536.00
Donations	1,269,961.36	1,718,657.41
Guest House Contributions to OVC	93,824.00	48,380.00
Guest House Revenues	1,001,872.40	803,539.05
Truck /Car Revenues	76,450.05	52,505.67
Other Revenues	18,959.08	11,420.77
TOTAL INCOME	<u>2,556,296.89</u>	<u>2,700,794.40</u>
EXPENDITURE		
Poultry Costs	-	74,667.00
Farming Costs	-	15,346.00
GH - Cost of Revenues	447,656.90	380,702.05
Labour Costs	623,265.42	472,765.45
Material Costs	673,602.25	1,021,068.10
Lunch allowance	63,832.50	65,533.00
Rentals & Utilities	94,082.37	-
Motor Vehicle Expenses	49,334.51	44,843.00
Fuel and Lubes	74,056.31	110,517.34
License and Insurance	32,555.50	31,696.00
Committee Meetings & Overheads	31,108.00	19,310.00
Truck/Car Rental & Public Transport	99,998.75	25,862.92
School Fees and Education materials	111,140.47	66,455.13
Administration Cost	75,677.10	58,327.73
Depreciation	75,677.10	61,806.78
TOTAL EXPENDITURE	<u>2,451,593.24</u>	<u>2,448,900.50</u>
NET SURPLUS	<u>104,703.65</u>	<u>251,893.90</u>

GIVE THE CHILDREN OF MPONGWE THE FUTURE									
DETAILED OPERATING STATEMENT PER PROJECT									
For the year ended 31st December 2018									
	Totals	VTC	VTCE	OVC	MAN	TRUCK	CAR	YPO	GH
	2018	2018	2018	2018	2018	2018	2018	2018	2018
INCOME	ZMK	ZMK	ZMK	ZMK	ZMK	ZMK	ZMK	ZMK	ZMK
Students Fees	95,230.00	-	95,230.00	-	-	-	-	-	-
Donations	1,269,961.36	856,887.85	236,109.76	-	123,393.79	25,000.00	15,000.00	3,569.96	10,000.00
Guest House Dividends to OVC	93,824.00	-	-	93,824.00	-	-	-	-	-
Guest House Revenues	1,001,872.40	-	-	-	-	-	-	-	1,001,872.40
Truck /Car Revenues	76,450.05	-	-	-	-	29,849.00	46,601.05	-	-
Other Revenues	18,959.08	4,045.95	3,135.00	-	1,894.77	-	-	-	9,883.36
TOTAL INCOME	2,556,296.89	860,933.80	334,474.76	93,824.00	125,288.56	54,849.00	61,601.05	3,569.96	1,021,755.76
EXPENDITURE									
GH- Cost of Revenues	447,656.90	-	-	-	-	-	-	-	447,656.90
Labour Costs	623,265.42	126,767.10	205,446.91	2,200.00	27,720.00	-	-	-	261,131.41
Material Costs	673,602.25	660,983.25	4,360.00	-	8,259.00	-	-	-	-
Lunch allowances	63,832.50	14,189.50	22,778.00	236.00	14,265.00	50.00	-	165.00	12,149.00
Rentals & Utilities	94,082.37	35,082.37	870.00	-	18,990.00	-	-	-	39,140.00
Motor Vehicle Expenses	49,334.51	1,510.00	-	-	-	25,206.48	22,618.03	-	-
Fuel and Lubs	74,056.31	2,734.50	-	-	-	28,644.00	41,162.81	-	1,515.00
License and Insurance	32,555.50	12,065.00	2,000.00	-	8,150.50	-	-	6,000.00	4,340.00
Committee Meetings & Overheads	31,108.00	-	250.00	-	30,858.00	-	-	-	-
Truck/Car Rental & Transport	99,998.75	5,092.00	38,708.50	14,907.00	4,013.50	198.00	-	67.50	37,012.25
School Fees and Education materials	111,140.47	283.50	54,677.97	56,179.00	-	-	-	-	-
Administration Cost	75,283.16	4,919.50	17,895.94	796.00	12,404.72	100.00	50.00	1,575.00	37,542.00
Depreciation	75,677.11	3,467.00	13,618.37	-	-	27,750.00	13,000.00	-	17,841.74
TOTAL EXPENDITURE	2,451,593.25	867,093.72	360,605.69	74,318.00	124,660.72	81,948.48	76,830.84	7,807.50	858,328.30
NET SURPLUS / (DEFICIT)	104,703.64	- 6,159.92	- 26,130.93	19,506.00	627.84	-27,099.48	-15,229.79	-4,237.54	163,427.46

Ibala Poultry Income	50,063.00	-	-	50,063.00	-	-	-	-	-
Project VTC Donations	375,869.78	270,466.84	-	56,539.86	-	48,863.08	-	-	-
Guest House Revenues	29,505.47	-	-	-	29,505.47	-	-	-	-
Truck /Car Revenues	59,158.42	-	-	-	-	-	28,669.50	30,488.92	-
Other Revenues	3,779.77	917.16	-	169.55	2,035.21	657.85	-	-	-
TOTAL INCOME	521,016.44	271,384.00	1,740.00	107,672.41	31,540.68	49,520.93	28,669.50	30,488.92	-
EXPENDITURE									
Poultry Costs	38,411.00	-	-	38,411.00	-	-	-	-	-
Farming Costs	20,345.00	20,345.00	-	-	-	-	-	-	-
Labour Costs	181,653.00	79,853.00	4,710.00	70,000.00	1,700.00	24,640.00	-	750.00	-
Material Costs	115,961.10	111,053.10	-	4,908.00	-	-	-	-	-
Transport and Lunch allowance	40,996.00	13,642.00	60.00	16,911.00	3,030.00	7,265.00	15.00	-	73.00
Motor Vehicle Expenses	30,224.80	843.00	-	-	-	-	11,430.80	17,951.00	-
Fuel and Lubs	67,668.35	5,097.00	-	-	-	-	24,031.80	38,539.55	-
License and Insurance	24,325.00	17,325.00	-	7,000.00	-	-	-	-	-
Committee Overheads/Talk time	11,851.00	-	100.00	673.00	150.00	10,928.00	-	-	-
Truck/Car Rental Cost	3,114.50	-	-	-	3,114.50	-	-	-	-
School Fees and Education Items	45,339.00	-	3,264.00	-	42,075.00	-	-	-	-
Administration Cost	32,216.31	7,061.10	32.00	5,755.50	1,637.60	17,710.61	-	20.00	-
Depreciation	44,217.00	3,467.00	-	-	-	-	27,750.00	13,000.00	-
TOTAL EXPENDITURE	656,322.06	258,686.20	8,166.00	143,658.50	51,707.10	60,543.61	63,227.60	70,260.55	73.00
NET PROFIT / (LOSS)	- 135,306.62	12,697.80	- 6,426.00	- 35,986.09	- 20,166.42	- 11,022.68	- 34,558.10	- 39,771.63	- 73.00